

Corporate Policy and Resources Committee

Date of Meeting: 29 November 2021



Title	Procurement of Fire Alarm Systems Maintenance Services (for Planned and Responsive Maintenance)
Purpose of the report	To make a decision
Report Author	Alfred Osawe; Senior Building Manager
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	<p>Community – refers to the repair and maintenance of municipal properties.</p> <p>Affordable Housing – refers to the repair and maintenance of residential properties</p> <p>Recovery – requires social value benefits to be delivered via the new contracts</p> <p>Environmental – requires consideration of reduced environmental impact into the repairs and maintenance contracts</p>
Recommendations	<p>The Committee is recommended to:</p> <ol style="list-style-type: none"> Note and approve the procurement process for the letting of a contract for maintenance services of fire alarm systems and emergency lighting installations in Council's municipal and residential properties. Agree contract commencement date of 01 April 2022 for an initial contract term of three (3) years, with the option to extend annually for a further two (2) 12-month periods, at the Council's sole discretion, taking into account the contractor's performance on the contract Delegate the appointment of the contractor to the Group Head of Regeneration and Growth in consultation with the Chair and Vice Chair of the Corporate Policy and Resources Committee Authorise the Head of Corporate Governance to enter into any legal documentation necessary to implement the new contract.
Reason for Recommendation	<p>These recommendations are</p> <ol style="list-style-type: none"> to ensure the Council meets its responsibility under the Regulatory Reform (Fire Safety) Order 2005 to continuously maintain fire alarm and emergency lighting

	<p>installations on all Council municipal and residential properties. The works to be carried out under this contract will discharge the Council's duties under this aspect of the regulations.</p> <p>ii. to advise that the procurement processes will follow a Public Contracts Regulations (PCR) 2015-compliant Restricted (two-stage) procurement procedure commencing with advertising the contracts on Find a Tender Services (FTS), shortlisting of tenders expressing an interest via a Selection Questionnaire, and the invitation to tender of shortlisted providers</p>
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1. Key issues

- 1.1 Maintenance of fire alarm systems and emergency lighting installations within the Council's municipal and residential properties is currently carried out under a single combined contract with Element Fire Systems & Solutions Ltd. This contract will be six years on 31 March 2022 (expiry date) having been renegotiated on its previous terms and conditions for further 12 months to allow sufficient time to retender. The proposed new contract will commence on 01 April 2022 to ensure that all the Council's municipal and residential properties are consistently operated in accordance with Regulatory Reform (Fire Safety) Order 2005.
- 1.2 The current contractual arrangements have worked well with no need for any changes to be made to the respective work specifications.
- 1.3 It is considered that the Council could achieve better value for money, reduced risk of contractor underperformance and increased social value and community benefits if new contract is let through a competitive tendering exercise by 31 March 2022.
- 1.4 The scope of the contract consists of inspection, testing and maintenance of fire alarm systems and emergency lighting installations including day to day reactive breakdown repairs to the systems and installations within the respective buildings in compliance with BS 5839 and BS 5266 respectively.
- 1.5 The contract includes bi-annual inspection, testing and maintenance of fire alarm systems along with the monthly (functional) and annually (full rated duration) tests for emergency lighting installations.
- 1.6 The properties included in this contract are the municipal buildings and the communal areas of residential buildings fitted with fire alarm systems and emergency lightings.
- 1.7 The Building Services Team (BST) manages the service contract for all the Council's municipal and residential properties. Some of the residential properties are listed under Knowle Green Estate (KGE) Ltd.'s portfolio while others remain under the Council's direct management.
- 1.8 The KGE residential property portfolio includes The Bugle, Benwell House, Knowle Green West Wing, 4A – 4C Churchill Way, 82 Cranford Avenue and

42 Kingston Road. Other Council's residential properties are Harper House, White House Hostel, Long Lane Park pavilion, and Staines Park pavilion.

- 1.9 Construction of Benwell House and White House Hostel were completed in April and September 2021 respectively. Other new builds, Knowle Green West Wing and Harper House are expected to be handed over by December 2021. These properties are included in the contract and maintenance activities for fire alarm systems and emergency lighting installations will increase over the course of the contract as warranties on the properties' installations will expire in 2022.
- 1.10 Given that the potential value of this contract is above UK procurement (sterling) threshold, the letting of the contract falls within the Public Contracts Regulations 2015 and, therefore procurement will commence with advertising the contracts on Find a Tender Services (FTS), seeking expression of interest via Selection Questionnaires (SQ). The procurement process will follow the restricted procedure, which includes the selection of a tender list and subsequent invitation of selected organisations to submit tenders
- 1.11 The Restricted (two-stage) Procurement procedure will give opportunity to local and other contractors of all sizes to submit Selection Questionnaires (SQ) [1st stage of the procurement process]. Contractors will be selected based on SQ scores and those selected will subsequently be invited to submit tenders. This process will thereby fostering effective competition, value for money, social benefits and also has the advantage of allowing local contractors to try to secure work.
- 1.12 The contract term of five (05) years (based on a contract term of an initial period of three (03) years + two (02) extension periods of 12 months each) is the normal contract period for this type of service. It is sufficiently long to allow contractors to deliver the contract deliverables but not too long that the Council cannot be sure of achieving value for money by further competitive market testing. The Council can also achieve further efficiencies with the contractor as part of the contract extension negotiations.
- 1.13 The price element of the tender will comprise of 60% of the total tender score, with weighting of quality at 40% to represent health and safety risk inherent in the contract. The specification will include highly detailed health and safety requirements.
- 1.14 The scoring of the quality element will be based on Method Statements submitted by each contractor. The contract will be predominantly based on reactive works in terms of frequency of attendance. In that context, the 60/40 price/quality proportion is intended to deliver the right balance between quality and price.
- 1.15 Where TUPE may apply, this will be at the secondary level (i.e., contractor to contractor) and the project manager will ascertain from the incumbent contractors whether they believe that any employees within the existing contract fall under the TUPE liabilities and include such information in the tender documents to allow bidders to cost their tender responses accordingly.

2. Options analysis and proposal

- 2.1 There are three main options that need to be considered in relation to this procurement:

- i) **Option 1** – negotiate existing contract to run beyond 31/03/2022 up to a further one year, then undertake a full PCR 2015 compliant tender exercise or procurement via a Framework Agreement. This option will delay the delivery of further contractual benefits which is against our corporate priorities.
- ii) **Option 2** - undertake a mini-competition using either the Council's Framework Agreements (which may not have all of the required specialisms) or another suitable framework open to the Council to use for a contract start date of 01 April 2022. This approach would help to mitigate the risk of procuring the contract in time for April 01, 2022 but would not necessarily open the opportunity to local contractors.
- iii) **Option 3** - (preferred option) to tender the contract by carrying out a full PCR 2015 compliant tender, advertising the contract with contract start dates of 01 April 2022, to ensure the participation of local and sufficient suitably qualified contractors. This will allow us to fully test the market, using a detailed Specification of Requirements, tailored towards obtaining contract deliverables which align to our Corporate Priorities, specifically Recovery and Environment

3. Financial implications

- 3.1 Based on average expenditure of past three years, estimated annual contract value is £4,200 (KGE properties) and £32,800 for other properties making a total of £37,000 per annum. Applying 2% inflation cumulatively, the total contract estimate over the five-year period is £192,550. (£113,235 for first 3 years plus £79,315 for 2-year extension). The contract value is above UK procurement (sterling) threshold for service contracts.
- 3.2 It is anticipated that more KGE residential properties will come on stream during the contract period. Fire alarm systems and emergency lighting installations maintenance service estimate is £2,100 per annum for the prospective properties which will be added to the contract as and when they become available based on tendered rates submitted by the successful contractor. Full budget / contract implications will be evaluated once any property is added to the contract and budget variations sought if required.
- 3.3 The contract provides for rates which relate to the programmed inspections, tests and servicing of fire alarm systems and emergency lighting installations. The contract also includes rates for time spent on site (on an hourly basis) together with a percentage adjustment against materials and sub-contractors.
- 3.4 In the current financial year, there is a total budget of £1,111,900 for the maintenance of the municipal properties. There is an additional budget of £85,000 for other Council's residential properties (Harper House and White House Hostel). There is a separate budget for KGE owned residential properties. The fire alarm systems maintenance service contract which is £37,000 for the first year is within the maintenance budgets along with other maintenance service contracts. It is anticipated that there will be sufficient budget for the full contract term.

- 3.5 Maintenance services carried out on KGE properties are paid from KGE budget while maintenance services carried out on other properties are paid from Asset Maintenance budget
- 3.6 The new contract will allow for annual fluctuations (price increase) based on the Consumer Price Index (CPI). With effect from the second year of the contract, CPI uplift shall be applied cumulatively on an annual basis until the end of the Contract Period.

4. Other considerations

- 4.1 BST will work with Corporate Procurement throughout the contract duration to ensure that contract deliverables are achieved.
- 4.2 BST has consulted with managers responsible for maintenance budgets of Council's municipal and residential property portfolios. The new contracts will be drafted in such a way as to improve the service standards to ensure Spelthorne Borough Council staff, tenants and residents continue to receive high quality service standards

5. Equality and Diversity

- 5.1 The procurement process will be carried out in accordance with the Council's Contract Standing Orders, and the selected contractors will be required to comply with relevant Equality and Diversity laws, accessibility standards and Health and Safety regulations. The Specification and Method Statement questions will detail a requirement for social value benefits to be delivered.

6. Sustainability/Climate Change Implications

- 6.1 As part of the procurement selection criteria, contractors will be required to demonstrate processes and the use of materials which minimise the environmental impact of their services.

7. Timetable for implementation

- 7.1 Indicative timetable for procurement of the contract is as follows:

Event	Date
Publication of ITT	06 December 2021
Period for Expression of Interest (SQ Responses)	06 December 2021 – 14 January 2022
SQ Submission Deadline	12 noon on 14 January 2022
Evaluation of SQ	17-21 January 2022
Notification of outcome of SQ Evaluation and Bidders Invited to Tender (Tenderers)	24 January 2022
Site Visits	25 January – 07 February 2022
Deadline for Receipt of Clarifications	12 noon on 14 February 2022
Deadline for Receipt of Tenders	12 noon on 21 February 2022

Evaluation of Tenders	22 February – 07 March 2022
Preferred Bidder(s) Identified	07 March 2022
Internal Approval Process	07 – 14 March 2022
Notification to Bidders of Contract Award Decision	14 March 2022
“Standstill” Period	14 – 25 March 2022
Confirm Contract Award	28 March 2022
Mobilization Period	March
Contract Commencement Date	01 April 2022